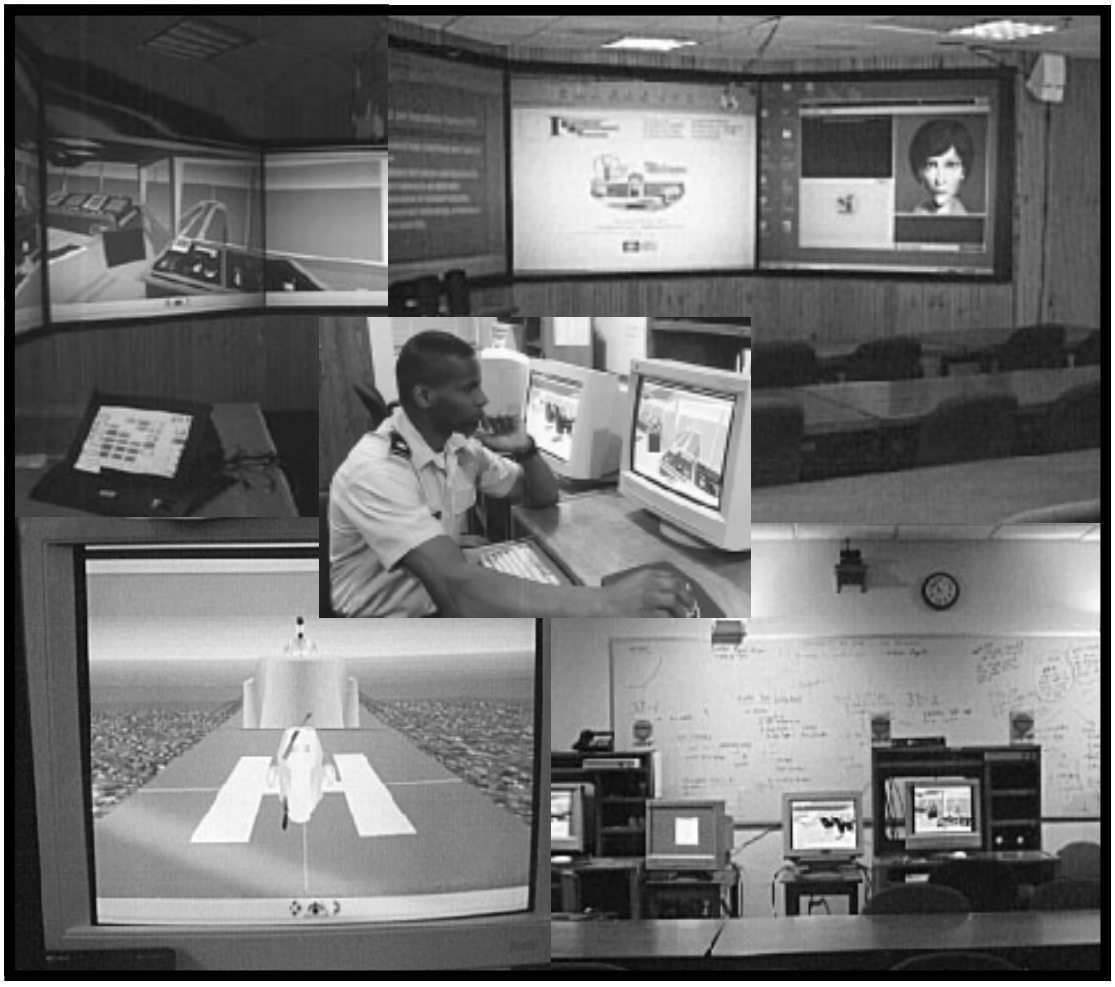
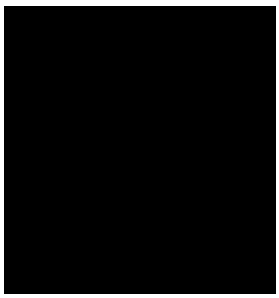
RM RESOURCE MANAGEMENT
2nd Quarter '00 Professional development bulletin PB 48-00-2

"Information Technology and Strategic Planning"



Inside this issue:

A message
from the Assistant Secretary of the Army (FM&C) Helen T. McCoy



This issue of *Resource Management* looks at Information Technology and Strategic Planning. We have done a lot in the last two years toward building a "Resource Management Data Warehouse" that will be accessible through the World Wide Web to analysts and managers Army-wide. When completed, the warehouse will offer "data mining" tools such as historical data for trends, ad-hoc queries, executive reporting, modeling and "what-if" analysis. For more details, see the article inside on Army Budget Automation.

Besides working to consolidate our information resources to the point where we can "get our arms around them," we've also physically integrated the technological brainpower of our Army Cost and Economic Analysis Center colleagues. Recently, CEAC relocated from its Bailey's Crossroads site to an upgraded suite of offices in Crystal City, less than a mile from the Pentagon. For the address and new telephone numbers, you can check the CEAC portion of our web page, www.asafm.army.mil.

Strategic planning continues daily, as it should in every organization. Latest developments here are the release and web-posting of two important career planning documents. The CP 11 strategic plan for the Civilian Personnel Management System for the 21st Century, CPMS-XXI, provides specific tasks and milestones on how we plan to build and diversify the competencies of our financial management workforce. Look for this plan through a link in the proponency section of our web site, www.asafm.army.mil.

The second important career planning document, also linked through the proponency section of our web site, is the Army Civilian Training, Education and Development System Comptroller Plan. Our new edition of the ACTEDS plan replaces the October 1995 version with much more comprehensive and current career-building information. The plan specifically aligns with the aforementioned CP 11 strategic plan. It presents a cohesive and unified approach to how we will develop our professional workforce during the next ten years and beyond. This should be your professional "game plan," whether you are uniformed or civilian, multi-disciplined or specialized, Acquisition workforce or not, journey practitioner or manager.

Finally, we've timed the release of this *RM* issue to arrive in your mailbox in advance of the annual ASMC Professional Development Institute in Philadelphia. If you plan to attend and participate in our Army Day workshops, I encourage you, before you go, to read the articles in this issue and to review the career planning documents mentioned above on the Internet. For everyone, whether you're going or not, we will have posted on the asafm web page the charts and handouts from the Army Day workshops and the Army Day General Session.

I wish you all a pleasant and beneficial professional development experience this spring.

Helen T. McCoy
Assistant Secretary of the Army
(Financial Management and Comptroller)

This medium is approved for official dissemination of material designed to keep individuals within the Army knowledgeable of current and emerging developments within their areas of expertise for the purpose of professional development.
By order of the Secretary of the Army:

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General, United States Army
Chief of Staff

Administrative Assistant to the
Secretary of the Army
JOEL B. HUDSON

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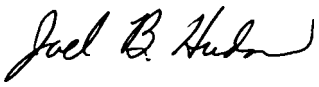
Official: 

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RESOURCE MANAGEMENT

2nd Quarter '00 *"Information Technology and Strategic Planning"* PB48-00-2

Contents

CORRECTION: In the 1st Qtr issue of RM, the commands of three recipients of fiscal year 1999 Resource Management Awards were incorrectly stated. Betty Koch of Fort Bliss, Texas is in the Training and Doctrine Command; Sgt. 1st Class Flor Sanchez was with the 19th Theater Army Area Command in Korea; and Sgt. 1st Class Esther Jones earned her award while serving with the 99th Regional Support Command of U.S. Army Reserve Command under Forces Command.

A message from the Principal Deputy Assistant Secretary of the Army (FM&C)

Erin J. Olmes

"I think there is a world market for maybe five computers." — Thomas Watson, chairman of IBM, 1943
"640K ought to be enough for anybody." — Bill Gates, 1981

Forecasting the future is risky. Then again, there are some certainties with regard to Comptroller careerists that are right on the mark: that Comptroller careerists of the future will need to be multi-functional and multi-dimensional, capable of handling various situations with confidence and skill. To achieve such capability requires that military and civilian Comptroller professionals gain experience in 17 core competencies, as detailed in the Proponency section of the ASA(FM&C) home page, www.asafm.army.mil. The Career Development Model for the Multi-Disciplined Financial Analyst provides the blueprint to transform this concept into reality.

"The concept is interesting and well-formed, but in order to earn better than a C, the idea must be feasible." — A Yale University management professor in response to Fred Smith's paper proposing reliable overnight delivery service. Smith then started the Federal Express Corporation.

The Career Development Model is a blueprint comprising five components: formal education, training, professional development, performance enhancing job experiences and accreditation. With approximately 11,000 Comptroller military and civilian professionals around the world today, there is little hope of keeping track of how each person is progressing in these components unless we effectively leverage technology.

"Everything that can be invented has been invented." — Charles H. Duell, Commissioner, U.S. Office of Patents, 1899.

Well, not quite. The Comptroller Proponency Office is now designing a new automated system. Our intent is to track Comptroller careerists' professional development, including required 90-day performance enhancing job experiences, training, and education and accreditation levels. The system will be phased in over time and is being designed according to a "build a little, test a little" life cycle. It is being benchmarked on best practices and lessons learned from Acquisition Corps and military personnel managers. We expect the system to identify gaps between projected and actual achievement levels and accrued experiences of our Comptroller careerists. We plan for this system to project and schedule training, school quotas and costs to help us become the best stewards of our available resources.

For example, we've identified three mandatory training courses for military and civilian Comptroller professionals. With the new system, we intend to track people's accomplishments in these and other developmental experiences and thus to measure numbers of individuals by grade and series who meet or are progressing toward ACTEDS lan requirements. We intend to measure the quantity and quality of candidate pools and to measure such pools by education and accreditation levels as well as by ACCES scores.

Finally and this is probably the most difficult performance to measure we plan to determine if we are satisfying our customers.

"There is no reason anyone would want a computer in their home." — Ken Olson, president, chairman and founder of Digital Equipment Corp., 1977.

Innovation, enhanced by automated tools, will be a key enabler both to capture and track information on our current Comptroller careerists and more importantly to forecast future requirements for those who will succeed them. Yes, forecasting the future is risky; but our planned system, once fully deployed, should result in a uniform, consistent and orderly method for developing our Comptroller careerists.

To EEC or not to EEC?
That is the question

by John Di Genio

"We have to blend in with the background, listen at meetings, and collect, track, and report budget and cost data. . . . This is how we support the command when it goes to war."
– Wayne A. Davis, Deputy ACofS, Resource Management, Eighth U.S. Army, at a 1998 training exercise

Title 10, U.S. Code states that civilian positions can be designated "emergency essential" if they (1) support combat operations or provide maintenance and repair of essential combat systems; (2) are needed after the evacuation of noncombatants; and (3) cannot be readily converted to military fill billets without disrupting operations. Strategic planners in deployed environments need to consider the benefits of organizational and mission continuity that derive from retaining a core of skilled U.S. civilian employees in times of transition from peace, through mobilization, to hostilities. While the discussion here is set in Korea, the points pertain in any environment of deployed U.S. forces.

Professional publications have addressed the merits of emergency essential civilian or EEC programs. Civilians who have participated in such programs report having gained a better understanding of the important roles their military counterparts play in fulfilling missions consistent with national military and security strategies. Indeed, the prudent use of EECs increases the overall readiness posture of our military departments and greatly facilitates commands' ability to expeditiously transition to war.

EEC positions should satisfy minimal essential staffing levels to sustain operations during contingency and at the same time be affordable. Command analysts, especially resource managers, need to assure that proper numbers and types of emergency civilians have been identified. Too many EECs increase costs, reduce a command's ability to efficiently and effectively execute its wartime mission, and strain its ability to provide adequate life support, logistics, protection and space at deployment sites.

EECs versus "mission essential" personnel

Local national employees necessary to support mobilization efforts are designated mission essential. Costs of sustaining a mission essential workforce differ from those necessary to maintain an effective EEC workforce. As examples, status of forces agreements, contracts with host nation labor unions, and other binding policies have a say when it comes to identifying benefits and training that a mission-essential employee receives.

Identifiable mission

An organization should have an identifiable wartime mission in order for emergency essential civilian positions to be designated. Resource management wartime missions might include support to financial operations; collecting, analyzing, interpreting, and reporting budget execution and various cost data; administering support agreements with other DoD entities or the host nation; and maintaining sound internal management controls to prevent statutory violations and general misuse of government assets.

An old axiom is that a military organization's structure should be in peacetime what it would be during war. An entity should list the core wartime functions it will be given to accomplish during mobilization and then identify minimal essential required staffing to complete the tasks. Emergency essential civilians should be aligned under specific tasks. To assure continuity of operations, it is important that EECs perform in peacetime the duties to be accomplished during mobilization. For example, if a civilian employee in the

program and budget division coordinates cost data for host nation support programs during a non-hostile period, but the duty transfers to an EEC in the management division to capture similar data during mobilization, it will cause confusion and hinder the organization's ability to expeditiously transition to war.

Leadership needs to be the standard-bearer for the EEC program. If leadership shirks its responsibility to champion this essential wartime program, then subordinates will not be enthusiastic about supporting the program. As such, if a subordinate is expected to deploy as an EEC, then someone in the person's chain of command should also deploy. Designating an employee but not the immediate supervisor as an EEC may create an impression that management lacks interest in the program, and thus the program could be hurt. Worse would be for a subordinate and supervisor to be designated EECs but only the subordinate deploys during exercises because management has to "do real world stuff." This can build an impression that the EEC program is trivial grunt work. Keep in mind, deployments occur in any of various command post exercises designed to train supervisors and managers on how to effectively perform their wartime missions. Training the subordinate but not the supervisor causes the manager to be a "lame duck." This hampers the timely accomplishment of functions and tasks in a hostile, adverse environment because the subordinate has to train the supervisor.

Direct Costs

- Uniforms/Clothing
- Equipment (TA-50 and NBC Gear)
- Medical (Examinations and Vaccinations/Inoculations)
- Overtime/Compensatory Time
- Hazardous Duty Pay/Allowances (If Applicable)
- Training (Basic Soldier Skills, NBC, etc.)
- Life Support

Indirect Costs

- Having someone perform the EEC's normal duties while the EEC is deployed: Potential learning curve costs
- Storage Space
- Administrative (Personnel Administration, Occupational Health Records, etc.)
- Overtime/Compensatory Time

Figure 1. Direct and indirect costs of emergency essential civilians

Costs

EECs are not a source of cheap labor to satisfy an organization's deployment requirements. Nor are they a cost-effective substitute for deploying Reserve personnel from the U.S. Instead, an EEC is an investment the command makes to enhance its readiness posture. As such, each EEC carries costs to the command. Figure 1 above illustrates principal costs of sustaining a viable EEC force.

It costs about $450 to properly clothe an EEC. Yearly medical examinations run about $140 per EEC. During a typical exercise, an EEC could potentially accumulate (at minimum) 44 hours' overtime. Considering that there are about 420 EECs documented on the various Eighth Army manning tables, this yields an initial outlay of $189,000 for clothing. Given 420 EECs, it costs an additional $58,800 annually for medical examinations. Since there are three major exercises in Korea, overtime pay can run about $5,000 per deployed EEC a year.

Command analysts need to determine the optimal point where the benefits derived from sustaining an EEC force outweigh costs. This is not to say that cost considerations are the driving force in determining the number of EECs needed to sustain operations during mobilization. However, adding EEC requirements above the level satisfying "minimal" staffing yields diminishing returns. It doesn't provide a corresponding increase to mission readiness or augment command ability to perform essential wartime functions and tasks; rather, it only adds unnecessary costs and actually detracts from readiness and mission accomplishment.

Figure 2 (on the next page) illustrates the concept of "Diminishing Returns" as it pertains to the EEC program. The model assumes that at "0" EECs, a certain level of readiness has been maintained by military personnel. At a certain point, EECs allow the command to augment its readiness posture. However, above the "breakeven point," the additional increment of EECs increases command costs and detracts from mission accomplishment, because the

EECs will begin to get in each other's way and in the way of deployed military personnel. As honest brokers, resource managers should have global views of wartime requirements and

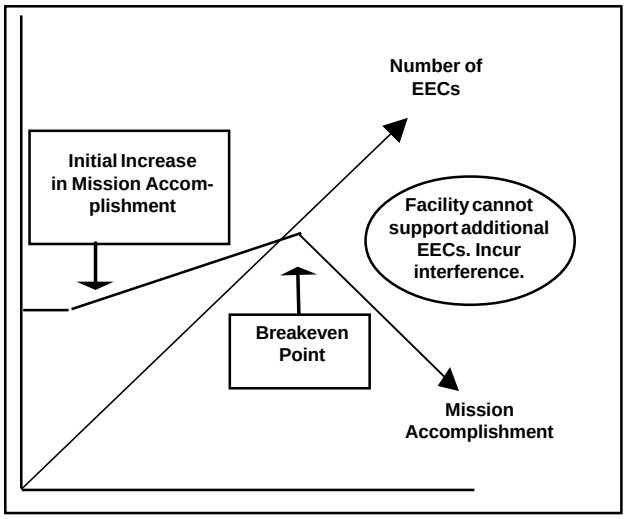


Figure 2. The law of diminishing returns, or, "Too many cooks spoil the broth".

minimal staffing requirements to sustain the mission during contingency. It is critical that RMs exercise their right to voice concerns whenever other command strategic planners designate EECs beyond a level "minimally essential" to accomplish wartime missions.

Space considerations

Organizations with identifiable wartime missions should deploy EECs to major exercises and contingency operations. However, organizations that deploy EECs for the sole purpose of "preserving their footprint" at a deployment site are pompously selfish. Office space and life support are extremely limited and normally austere at deployment sites.

As an example, during 1998 and 1999 exercises in reception, staging, onward movement and integration in Korea, a 6-person Eighth Army RM staff was required to share a very compact office with two Finance Command liaisons and six chaplains. In this respect, such "overkill" during deployments illustrates the law of diminishing returns discussed above: lesser essential deployed personnel crowd out those more urgently needed for conduct of a realistic exercise that builds wartime mission competencies.

Deployed resource managers

RM plays an essential support role during deployments. A typical operations center is full of activity. The deployed "Resource Warrior" is professional enough to know that the Battle Captain and his coordinating staff are too occupied with supporting the mobilization effort to discuss, for example, budget and cost issues. Therefore, the professional "Resource Warrior" blends into the background, listens attentively for key RM issues, and follows up. The deployed "Resource Warrior" should take the initiative to collect budget and cost data and, without breaking the law, creatively find ways to acquire those assets that will help in the mobilization effort.

For example, during the above exercises, the command rehearsed procuring items from a local vendor. The issue of procuring them came up during the morning shift change meeting. The attentive RM representative picked up on this cost issue. Following the meeting, he tactfully coordinated with appropriate, responsible staff action officers to gather cost and budget data. During the PM shift change meeting, the RM representative was able to provide the battle staff timely cost data—which enabled command executives to make an informed decision. The deployed RM thus took on the role of a stage manager in a theater, working behind the scenes to make the play a success.

EEC board

U.S. Forces Korea has adopted the use of an EEC board to evaluate EEC designation requests against criteria such as lack of an identifiable wartime mission, costs to the command, life support constraints and force protection concerns, among others. At this board, command analysts have the opportunity to play devil's advocate with new requests. For instance, the RM representative may ask questions such as: How would these positions improve readiness posture and ability to expeditiously transition to war? Does the value of these additional positions outweigh the cost—in terms of dollars, space constraints,

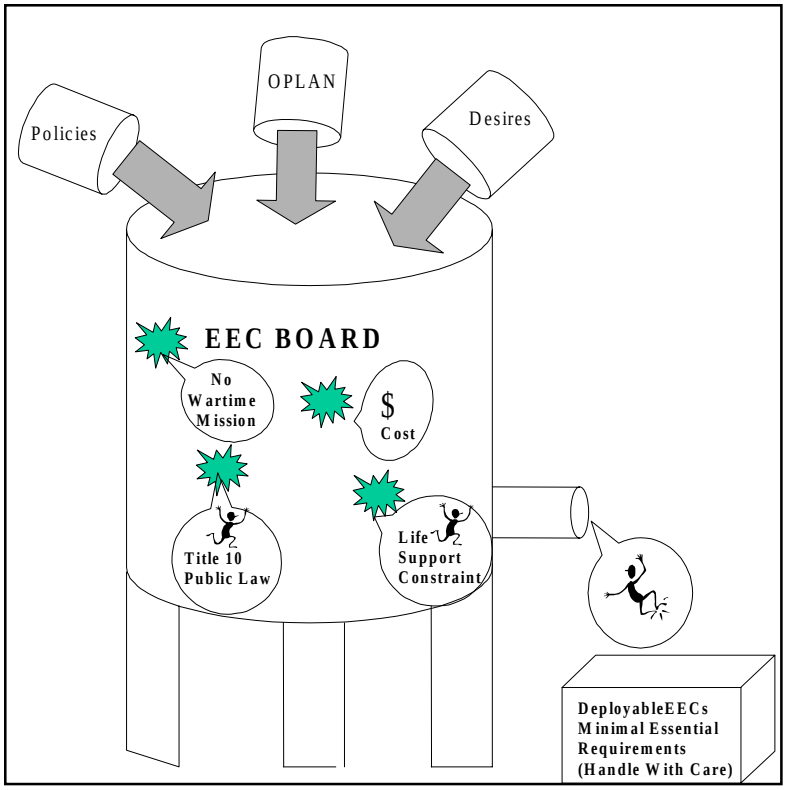


Figure 3. EEC Nomination and Approval Process

life support, force protection, and other things? Figure 3 illustrates the EEC nomination and approval process.

Nominations that don't survive the grilling under EEC criteria in Title 10 and the FY 2000 National Defense Authorization Act—e.g., have no wartime mission, place too great a strain on life support issues, do not add value to command readiness—are dismissed. Those that do survive are approved and forwarded to the appropriate manpower office to have the authorization documents updated.

Summary

Commands should staff EEC positions that are essential minimal staffing requirements to perform core wartime functions and tasks. Additional EEC positions surpassing the "minimal essential" threshold increase command costs and detract from the overall readiness posture. Resource Management plays an essential role in helping the command designate the appropriate number of EECs to support mobilization. Once mobilized, the professional "Resource Warrior" works behind the scenes to gather, analyze, interpret, and report cost, budget, and other essential resource management data. Leadership has to embrace the EEC program. Without leadership's full support and endorsement, subordinates may seek ways to avoid EEC responsibilities—including finding a non-EEC position in another organization. The EEC Board helps the command balance its requirements for deployed civilians against various limiting factors. Most importantly, an EEC is an investment, not an economical substitute for deploying U.S. Reserve personnel. The EEC Board helps the command realize a good return on its investment. As Resource Managers, we play a critical role during the EEC board in answering the basic question: To EEC or not to EEC.

About the author

John Di Genio is an operations research systems analyst working for HQs United Nations Command /Combined Forces Command / U.S. Forces Korea, ACS, J1, Joint Manpower and Organizations Division, Yongsan Garrison, Seoul, Korea. He is a frequent contributor to *RM*.

Answers to questions on page 28

Answer Key: 1-B, 2-A, 3-C, 4-A, 5-C, 6-B, 7-A, 8-B, 9-C, 10-C, 11-B, 12-A, 13-B, 14-C, 15-B, 16-A, 17-C, 18-B, 19-A, 20-B

See if you are staying with it.

If you got 16-20 correct answers, you work for a good leader; 10-15, you work for an average leader; 5-9, you work for a mediocre leader; less than 5—fire the DASA(B)!

Army budget automation:
Past accomplishments pave the way for change

by David Atherton

During the last two years, the office of the Assistant Secretary of the Army (Financial Management and Comptroller) has made significant progress in streamlining business processes and in automating budget development and exhibits. Both efforts stem from an older "legacy" application known as the integrated resource management information system—IRMIS—by leveraging new technologies such as web interfaces and data warehousing. IRMIS is an integrated suite of tools used by Army headquarters to prepare resource requirements, to evaluate alternatives and to coordinate and approve such requirements. For OASA (FM&C), data warehousing readily affords simultaneous access to an array of headquarters databases with resource data that we can use to generate budget exhibits, budget analyses, queries and what-if analyses.

The FM&C budget automation world faces three constant challenges. The first is the relationship between custom applications that generate budget exhibits and provide data to the defense comptroller's office and the databases that support those applications. The databases are very complex and include every imaginable data element needed for describing the Army's planning, programming, budgeting and execution system, PPBES. The IRMIS custom applications that extract data from the databases use several different programming languages and tools, such as C++, Powerbuilder, Rational Rose, Crystal Reports, Visual Basic and SQL 7.0.

The second directly related challenge is how to manage the complexity of these databases to ensure that they all maintain an accurate and consistent "relationality," described below. The third challenge is how to manage the custom applications to retrieve data and produce budget exhibits and reports.

The answer to these challenges is threefold. First, manage the data using high quality database administration techniques and a data warehouse. Second, query the data warehouse to generate budget reports and exhibits directly, thereby minimizing the need for individual application software. Third, maintain and improve the current IRMIS set of data management and retrieval tools.

FM&C's goals for establishing the RM data warehouse or RMDW are to centralize and standardize databases and increase the "relational" aspect of data. Relationality means that data in the various Army databases will interface successfully and not conflict. For example, manpower levels, equipment fielding and cascading quantities, and force structure data should accurately "relate" to the funding levels, quantities and fiscal-year timing contained in the financial databases.

Establishing the RMDW will enable Army-wide data mining and web-based query access. The warehouse will be the main point of access for shared centralized database information. Business rules of data manipulation will be established and stored in the data warehouse and not in custom software applications as is done now. With business rules resident in the data warehouse, data can be accessed and retrieved in user-friendly formats, such as reports and exhibits, with greater ease and simplicity. The RMDW has already been initiated with the inclusion of a new resource formulation system database or RFS, and others are steadily being added.

With the introduction of World Wide Web access to the data warehouse, barriers among different systems come down. The advantages of Web access are twofold. Analysts from different organizations and locations worldwide will have access to the data warehouse via the web using an internet browser without special

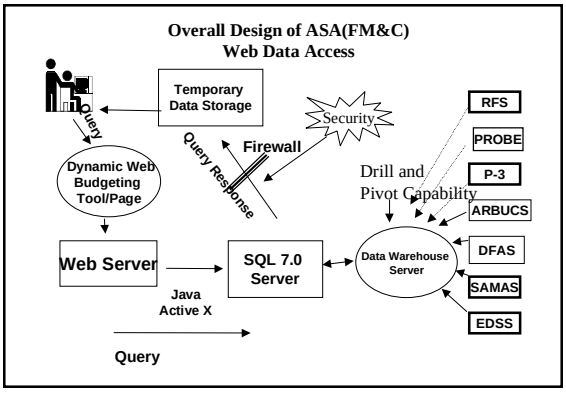
application software. In addition, the organization hosting the data warehouse need only be responsible for coordinating data updates instead of maintaining, updating and shipping custom applications to Army locations around the world.

The figure at right describes the FM&C plan for web access to the data warehouse. Items in the right hand column denote the Army headquarters databases we plan to include in the data warehouse. The plan is to have analysts access data via the FM&C web server.

Current FM&C business processes already take advantage of web interfaces for RFS, for a program/budget feeder application in IRMIS, and for the data analysis query system, a tool for submitting budget schedules and disseminating budget guidance and financial status "snapshots." The FM&C plan is to expand the use of web-based tools to further improve and simplify user access.

Once we set up a complete warehouse, data can then be "mined" using web access tools. Data mining has been defined as the nontrivial extraction of implicit, previously unknown and potentially useful information from (raw) data. It uses machine learning, statistical and visualization techniques to discover and present knowledge in a form easily comprehensible to humans. Data-mining capability provides easy web access to current and historical data for improved decision support, and it allows end-users to focus on analysis instead of technology concerns. Data mining can provide analytical capabilities such as ad hoc queries, executive reporting, modeling, what-if and trend analysis.

IRMIS, the older legacy system, will also be an integral part of the FM&C data warehouse/budget process. IRMIS fits Microsoft's description of an "integrated software suite," in that it is a program that combines several applications, and it also features the combining of different activities, programs or hardware into a functional unit. More than just a collection of systems, however, IRMIS consists of a basic integrated system as well as a database. The IRMIS systems assist analysts in inputting basic data and changes into their budget requests, and they help to estimate civilian and military payroll costs, create budget exhibits, track DoD



program budget decision changes and control Army headquarters fund releases.

The integrated systems approach supports combining of processes, functions and users into a single framework. It also increases productivity by using common databases and programs, thus improving accuracy and making more time available for analysis. This legacy system is flexible enough to be updated for use in the current technology environment for the foreseeable future. Addition of web access to IRMIS in the future will increase ease of access and reduce the need for custom application software on individual workstations.

In summary, our projected end state is a suite of budget automation tools that will include the integrated resource management information system (IRMIS), the resource management data warehouse (RMDW) and data mining, to include generating budget exhibits from the RMDW. The added value of introducing a data warehouse and data mining will be easier access to Army resource data bases, easier generation of budget requirements and exhibits and an increase in the tools available to Army analysts.

About the author

David Atherton has served in the OASA (FM&C) since 1990, most recently as its information management officer. He is a graduate of the Army Comptrollership Program and the Industrial College of the Armed Forces. Atherton was promoted to the chief of the Other Procurement, Army Division in the Army Budget Office in May.

Parlez-vous statistique?

by John Di Genio

"He uses statistics like a drunk uses a lamp post: for support rather than illumination."
—**Andrew Lang**

The "Quality Revolution" requires that Resource Managers have a working knowledge of statistics—touted as the "common language" — to measure production, efficiencies and quality improvements. Abundant textbooks and reference materials show the RM how to arrive at a statistic. However, in reality, RMs have little need for a textbook filled with statistical calculations. A typical spreadsheet application now performs the most cumbersome of these calculations with a single keystroke. Unfortunately, the same literature the RM may have tucked away often fails to caution on statistics' many pitfalls and misuses—traps that can cause embarrassment. Few if any of these books explain how to conduct sound statistical examinations. Listed here are a few ways to conduct basic empirical research without falling into some of the more common statistical booby traps, such as introducing bias into a study or using the wrong statistical tool to make an inference. The intent here is to help RMs "parle statistique."

Identifying the problem

A statistical analysis has to have a succinct, clearly defined problem statement to keep an analyst focused on key objectives. Failure to concisely define the problem could possibly cause one to find answers to the wrong question. Data collection and analysis are costly; therefore, organizations appreciate any initiative to reduce the cost of conducting a study. Cost savings can be realized during development of a problem statement. Formulating a problem statement requires the analyst to conduct a literature search to see if previous studies have ever addressed the same problem or appear to fit an already established model. Additionally, an analyst could ask outside agencies if they have ever encountered a similar situation or how they solved a similar problem. E-mail greatly facilitates the exchange of information.

Data collection

Textbooks on statistics concentrate heavily on data analysis. However, in actual practice, data collection is equally as important as data analysis. Poor data cannot be rescued by fancy analysis. Since bad data cannot be rescued, a portion of a study with bad data has to be repeated, thereby increasing study costs in an already austere budget environment. Therefore, to avoid wasting scarce resources, analysts need to pay more attention to designing a sound data collection method to reasonably assure that the data truly capture the essence of the problem under study (i.e., the data are "representational").

Poor recording techniques account for a large percentage of collected data becoming worthless. For example, haphazardly recording observations while conducting work sampling will skew the data. Frequently, skilled analysts let technicians or junior analysts who haven't been properly trained in data collection techniques record observations. This practice often causes data to become unreliable and consequently unusable. Data collection is too important a responsibility to leave to an amateur or novice. Hence, only those who have been properly trained should collect data.

The problem of introducing bias—a systematic error introduced into investigative surveys by selecting or encouraging one outcome over others—into a study has often caused the cost of a study to dramatically increase, making study sponsor(s) see red and hit the roof. A biased study is worthless.

Here's an example. During a study to determine the feasibility of sustaining shuttle bus runs every half hour from 7:00 a.m. to 10:00 p.m., the team leader decided that the number of passengers riding the bus at 8:00, 3:00, and 5:00 would be enough to determine the number of shuttle bus passengers on a daily basis. The operations research analyst assigned to the study (the author) eventually persuaded the team leader that passengers riding the shuttle bus during these times may not necessarily constitute a representative sample. He

suggested that the study team use a random number generator to develop a schedule for the analysts to ride the bus. During these random times, one of the analysts would ride the bus and record the number of passengers. Random sampling clearly demonstrated that maintaining the current shuttle bus schedule was excessive and costly.

In this example, the team leader would have introduced bias by using set times to record the number of passengers. Randomization is the only safe way to avoid and overcome the nuisance of introducing bias into the study. Keep in mind, the study team should develop the random times. If the work center under study develops the random times, they could, however unintentionally, introduce bias into the study.

Even the best analysts fall into the trap of "pseudo-replication." Whenever a portion of a statistical investigation has to be repeated, it should be done exactly as it was initially conducted. Repeating the examination "almost" the way it was done the first time may yield results that do not constitute a representational sample. For example, during a time measurement study of the transportation motor pool, the team leader felt he needed additional measurements for "cleaning carburetors." So he sent his analyst to the work center to perform this measurement. Unfortunately, the regular mechanic was on leave. Not wanting to waste an opportunity to collect data, the analyst took the time and motion measurement on another mechanic.

The study team could not use these data to engineer a time standard, because the differences in accomplishment times were likely due not to the complexity of the work but to the lesser experience of the substitute mechanic. Establishing sound data collection procedures and avoiding such traps as sloppy data collection and introducing bias and pseudo-replication will greatly help to keep study costs low.

Data analysis

The two main stages to data analysis are (1) initial examination of the data and (2) making inferences about the data. Initial data examination includes processing the data, checking data quality, obtaining simple descriptive statistics, and summarizing data into graphs, tables and charts. Making inferences about the data involves formatting and fitting the data into a typical parametric model, such as linear regression.

Initial examination

A thorough examination of the data is important in any analysis to check the quality of the data, produce descriptive statistics and identify an appropriate model to make inferences.

First step is to assess the "structure" of the data, particularly the sample size(s). Specifically, at this stage, the analyst asks: "Is the sample size statistically adequate to make sound inferences about the data?" During the initial examination the analyst identifies variables and also determines if any important ones are missing.

Data are usually stored in a variety of databases. Unfortunately, analysts and statisticians play an extremely limited role in setting up and managing databases. This is normally left to the organization's automation gurus such as information management officer(s). Consequently, analysts and statisticians have to play a more aggressive role in obtaining specialized software suitable for handling large data bases and for facilitating performance of quality checks on data stored in the databases.

The next task is to calculate descriptive statistics and produce a summary of the data. The most common descriptive statistics are called ***measures of central tendency***. A fundamental knowledge of three such measures—the mean, the median and the mode—is essential to understanding basic statistical inference. Misuses of these measures can cause analysts to quickly become shoe-gazing and red-faced.

The ***mean***, or arithmetic average, is the sum of data observation measurement values divided by the number of observations. Although the mean is considered the best estimator of a total population, it is influenced by extreme values in the data stream. For example, let's say a novice manpower analyst observed the following accomplishment times: 2.25 minutes, 2.46 minutes, 10.00 minutes, 2.32 minutes, 2.18 minutes. Adding these accomplishment times and dividing by the number of observations (5),

the analyst arrives at an average accomplishment time of 3.84 minutes. In this case, the average far exceeds all the times that fall within the 2-minute range and is extremely short of the 10-minute observation. As this example shows, there are times when the arithmetic average may not be the best measurement of central tendency to describe the data.

The ***median*** is the middle point in an ordered stream of data values. Returning once again to the accomplishment times, the ordered data stream is as follows: 2.18, 2.25, 2.32, 2.46 and 10.00 minutes. The mid-point of this data stream is 2.32 minutes. Should there be an even number of observations, the rule is to take the arithmetic average of the middle two observations. For example, let's say that another accomplishment time has been added to the data stream. The arrayed data stream now reads as follows: 2.18, 2.25, 2.32, 2.46, 3.01 and 10.00. Taking an "average" of the middle values, 2.32 and 2.46, yields 2.39. Hence the value 2.39 is the median value. Unlike the mean, the median is not influenced by extreme values in the data stream. As such, the median may prove valuable when the data contains outliers.

The ***mode*** is the number that appears most frequently. The first two measures of central tendency, the mean and the median, work well with data that represent some quantity, such as time expended or work units produced. However, what if the analyst needs to measure data that represents some quality? For example, a command developed a questionnaire to measure employee morale. Respondents were instructed to answer each question using the numbers 1 through 5, 1 meaning strongly disagree (unfavorable), 3 so-so, and 5 strongly agree (favorable). The organization that devised this survey used the mean to describe the data (responses). Regrettably, briefing averages like 3.25 has absolutely no meaning because the numbers represent a quality, not a quantity. This analyst should have used the mode to describe the data stream. It would have made more sense if the organization had told command leadership that most respondents answered "4" to a specific question rather than using the arithmetic average.

An analyst's reputation can be built or shattered by the quality of ***graphical presentations***. Poorly designed graphs, charts, and tables confuse rather than elucidate; they misinform instead of enlighten. They also cause decision-makers to become suspicious. Examples of badly designed graphs, charts and tables include poorly labeled axes, no title, summary statistics with a great many significant digits, and hideous computer tables reproduced with no thought on how to make them look more presentable.

Analysts depend on standard software to produce graphics. Unfortunately, most graphic programs contain preset formats such as fonts, scales, values and numbering. Analysts need to make sure they manually set the formats on the graphic program so their graphs are properly labeled. This includes:

- A title that clearly describes the analysis
- Labeling values on the horizontal and vertical axes
- Setting the scales to present an unbiased picture of the data

Presentable graphs do shed light on statistical data. Furthermore, executive decision-makers are likely to support an analyst's recommendations more readily from graphs that succinctly capture statistical data in a comprehensible format. Nothing ruins Benjamin Disraeli's (and Mark Twain's) claim that "there are lies, damn lies, and statistics" better than a well-prepared, easily understood graph portraying statistical data. It's about time we RM analysts made these two authors eat their words.

Some analysts believe that absolute precision is the cornerstone of a sound, robust analysis. A branch chief once directed her budget analysts to program "to the penny." Precision is not cheap. The more precise the data, the greater the cost. Statistically speaking—unless someone is making calculations for a space flight where one degree translates to millions of miles—there is very little difference between 3.7968795 and 3.8. This is especially true in the RM arena. Yet, commanders and executive decision-makers are regularly accosted with fierce-looking tables containing threatening, ridiculous multi-digit monsters. In one instance, an analyst presented budget data in scientific

notation. Imagine the frustration of an executive or commander trying to make sense of odd-looking numbers like $1.03E+07 and $2.63E+07 (meaning times 10^7, or tens of millions), when it would have been much simpler to write $10.3 million and $26.3 million.

Analysts should make sure that the people who eventually review data understand what the numbers mean. As an example, numbers carried out to the 12th decimal place may appear impressively precise but actually be just calculated estimates with margins of error on either side whose accuracy is not known or is in doubt. The value and the reliability of such numbers thus can get lost in all the digits. A good rule of thumb is to limit displayed numeric values to three significant digits, such as the 10.3 and 26.3 examples above. This practice makes data easier to read, more friendly, understandable and less suspicious.

Making inferences about data

Mistakes can arise during the inferential process in a variety of ways. One may use a wrong technique, or use the right technique but apply it inappropriately to the data. An analyst may also become guilty of being too restrictive in use of the right technique so that it doesn't allow for outliers, suspect data or other peculiarities encountered in data collection. Other problems arise when data are insufficient to answer the question or solve the problem under study.

Choosing the wrong technique happens surprisingly often. While analysts and technicians may be able to use a statistical technique correctly, the result of technique-oriented training can make the analysts or technicians poorly equipped to choose the most appropriate statistical method to draw inferences from a data stream. Simply stated, "If all you have is a hammer, then everything looks like a nail."

Even when an analyst selects the right method, it may still be carried out incorrectly. Although automation has reduced the chances of arithmetic errors, the possibility of committing errors—even with the appropriate method in use—may increase because of one's lack of control and understanding of the sophisticated statistical software being used.

Using the right statistical technique in an inflexible way can be just as damaging. For example, the failure to identify an outlier can derail an entire study. Failing to plot the data may cause the analyst to "fit" the data into an inappropriate model. These examples demonstrate the types of mistakes that can happen when the analyst fails to conduct a thorough initial examination of the data. They remind us that an initial examination is needed, not only to prepare summary statistics but also to select an appropriate model to fit the data stream and to avoid costly errors. As a conclusion to this section, analysts should be prepared to:

- Try more than one type of analysis
- Make improvised modifications to a standard analysis
- Seek help when and where necessary
- Use lateral thinking (think "out of the box")

Model building is a crucial part of problem solving and consists of not only model-fitting but also formatting a model and checking it. Resource Managers focus mostly on parametric models with linear relationships among two or more variables. Formulas in Manpower Staffing Standards System (MS3) applications are examples of linear models such as the slope-intercept equation y=mx+b from high school algebra. Analysts should remember:

- Many subjective choices may be involved in building a model.
- Don't try a model without understanding the non-statistical aspects of the system under study.
- Don't throw out variables just because they are not linear.
- Don't extrapolate the model outside the range within which it has been fitted.

Within the range, the model may be linear; however, outside of the specified range, the model may become non-linear.

Model specifications depend on a variety of inputs, to include the results of the initial examination of the data, presumptive subject matter knowledge, and experience. Even so, certain assumptions need to be made. Subject matter knowledge (e.g., what variables should be included in a study) is vital but unfortunately often ignored. An analyst with in-going subject matter knowledge should of course apply it

during a study. However, the analyst should remain objective and not let personal experience(s) bias the study.

Model checking is another vital phase. After fitting a model, the study team should validate the variables and assumptions. There are also various general questions to consider when evaluating a model. Has anything been overlooked? Are there alternative models that fit nearly as well but lead to substantially different conclusions? Does the model really provide an adequate description of the data? This is the time to make modifications to the model. It is too late to revise the model immediately before communicating the results of the study to decision-makers.

Communicating the results

After analyzing the data, the study team faces the task of interpreting results and communicating conclusions to interested parties through a written report or a briefing presentation. This final stage contains the most disastrous pitfall of all—risk of writing or briefing an incomplete, inadequate or incomprehensible report or presentation. Decision-makers don't have time to read or listen to dribble. To make a statistical report more understandable and slides more presentable, follow these pointers:

- Write simple clear English in short sentences.
- If you have "writer's block," don't worry! Jot down all the points you want to make. Soon, the creative juices will start flowing. Before you know it, you'll have a rough first draft prepared.
- Give your readers or the audience the proper amount of information. Too much information will overwhelm them, whereas too little may cause them to lose interest.
- Don't put too much information on each chart. Excessive information on a briefing slide makes it illegible, overly "busy," or too challenging to read.
- Give extra attention to the presentation of tables and graphs. Don't just include computer output, which may be in an unsuitable format. ♦ Make ad-hoc modifications.
- Revise the report and briefing presentation several times. If possible, get someone else to read the report. Rehearse the briefing in front of a "mock audience." Have your reviewers critique your report and briefing.
- When briefing, stay within the allotted time. Use your time wisely. Don't forget to include time at the end of your presentation for questions. Remember, you control your briefing; the audience does not.

Summary

Readers should take away from this article that (1) statistical analysis is costly, (2) understanding the strategies involved in conducting sound empirical research and analysis is just as important as knowing the techniques, and (3) avoiding pitfalls of statistical research is necessary to achieve desired results.

Guidelines for avoiding pitfalls include clearly defining the problem, establishing achievable objectives and goals, ensuring that good data are collected and processed, performing data-snooping to ensure that enough samples have been collected and that the data are appropriate for answering the question, and asking for help and advice. Too much time, energy and money are wasted reinventing the wheel. If a proven model already exists that fits your specific situation, apply it. Briefing empirical data and preparing study reports containing statistical information are challenging. It is up to the study team to reduce the technical language into common lay person's terminology to facilitate comprehension.

Most important of all, statistics is a language that belongs in the RM world. Without it, Resource Managers will be incapable of addressing efficiencies, trends and productivity initiatives. The RM professional has to learn how to "talk statistics" (parle statistique) to survive in this dynamic environment.

About the author

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Management controls in the new millennium

by Earl Brown, Jr., J.D.

The Greek philosopher Heraclitus said, "Nothing is permanent but change." This truism is applicable to time and space as we know them. The 20th century has been marked by change—change in government and educational institutions, the global economy, international relations, science and technology, family structure and military organizations. While change will continue to characterize most aspects of the 21st century, one requirement of the Department of the Army and its sustaining base will remain constant—the need for effective management controls. The following discussion addresses the need for management controls in the new millennium by defining what they are, their basis, their importance and their maintenance in a dynamic work environment.

Management controls—what are they?

Office of Management and Budget Circular A-123, Revised, defines management controls as the "…organization, policies and procedures used by agencies to reasonably ensure that (i) programs achieve their intended results, (ii) resources are used consistent with agency mission, (iii) programs and resources are protected from fraud and mismanagement, (iv) laws and regulations are followed, and (v) reliable and timely information is obtained, maintained, reported and used for decision making." Army Regulation (AR) 11-2, Management Control, defines management controls as: "The rules, procedures, techniques and devices employed by managers to ensure that what should occur in their daily operations does occur on a continuing basis".

In the simplest of words, management controls are those things that make sure what's supposed to happen does happen—at the right time, according to established guidance and in an effective manner. The Army has incorporated these controls into its management control process, a process to make certain that the Army—to include the sustaining base—effectively accomplishes its mission. Army regulatory guidance further defines key management controls as those identified by HQDA functional proponents in their regulations. Key controls are so designated because they are essential and must be employed and maintained during operations to ensure successful outcomes, and they must be periodically evaluated to make sure they're in place and working. Some examples of management controls are: automated hand receipts, DA and locally approved forms, standing operating procedures, signature authorization and approval, separation of duties, periodic inventories, computer passwords, security cameras and established processes within an organization.

Management controls aren't a guarantee that all inefficiencies, loss, waste or mismanagement will be detected. However, they do provide commanders and managers reasonable assurance—confidence—that the controls are sufficient and operating as planned. Associated with reasonable assurance is the recognition that the cost of implementing the controls should not outweigh their benefits. With reasonable assurance as an anchor—bolstered by periodic evaluations of the controls—commanders and managers will have a solid basis for coping with a dynamic environment in the new millennium.

Basis for controls in the sustaining base

Management controls as we know them today have their origin in statutory law and are implemented through Office of Management and Budget (OMB), Comptroller General (CG) control standards, and defense and Army guidance. The Federal Managers' Financial Integrity Act (FMFIA) of 1982 requires the head of each executive agency to establish management controls. The controls are to provide reasonable assurances that: obligations and costs comply with applicable law; funds,

property, and other assets are safeguarded against waste, loss, unauthorized use or misappropriation; and revenues and expenditures applicable to agency operations are properly accounted for and recorded.

The law also requires annual reporting of compliance or noncompliance of controls with the statute. Another law, the Chief Financial Officers Act of 1990, requires among other things that agencies' chief financial officers develop and maintain integrated agency accounting and financial management systems, to include financial reporting and internal controls. Each agency's system must comply with applicable accounting principles, standards and requirements and internal control standards and also accord with policies and requirements from OMB or any others applicable to such a system.

OMB Circular A-123, last revised on June 21, 1995, implemented the FMFIA and also reemphasized the need for reasonable assurances from established management controls.

The CG standards for internal controls in the federal government (five general and six specific standards and one audit resolution standard) describe the minimum level of quality acceptable for management control systems. They are the standards used to evaluate control systems.

Every manager is to make sure that management controls in the organization comply with the 12 standards. DoD Directive 5010.38 of August 26, 1996 on the Management Control Program established the Defense-level program and related policy, incorporated the CG internal control standards and assigned responsibility for implementing the program in the DAR 11-2 of August 1, 1994 on management control prescribes policies and responsibilities for the Army's management control process. The use of law, policy and regulatory guidance has institutionalized the management control process within the federal government, DoD and the Army. Several more current and future conditions and initiatives will enhance and preserve the need for controls in the 21st century.

Importance of management controls.

A fiscally constrained resource environment should enhance the importance of and need for management controls. Since 1985, the defense budget has declined 38 percent, the [U.S. military] force structure by 33 percent and the procurement programs by 63 percent. Over the last 10 fiscal years ending 1999, the active Army component took a 290,000 reduction in personnel while the reserve component sustained a cut in personnel of 211,000. The civilian personnel strength for the period was reduced by 166,000 people. Despite this decline in personnel strength, the Army has shown a steady increase in operating tempo.

The bottom line for Army managers is successful completion of the mission.

For example, since 1990 the Army has made 25 significant deployments [not including Kosovo] and contributed more than 60 percent of the total U.S. participation—about 16 major joint operations. Additionally, the 1997 Report of the Quadrennial Defense Review painted an austere resource environment picture by suggesting that resources for national defense would remain steady—barring major crises [pre-Kosovo conflict]—about $250 billion in constant 1997 dollars per year.

I believe management controls will be critically needed in such a constrained resource and high operating tempo environment because they will offer both uniformed and civilian Army managers a means to reach end state (mission accomplishment) and reduce the risk of inefficient resource utilization. The bottom line for Army managers is successful completion of the mission. To that end, management controls must be interwoven throughout the Army's "operational systems management environment." That is, management controls must be integrated into the Army's input, process and output components that relate to doing business within the sustaining base and combat, combat support, and combat service support operational arenas. This integration of controls into what I've termed the "operational systems management environment" should help

ensure that intended results are achieved, resources are used correctly and programs and resources are protected from misuse. The controls should help foster compliance with laws and regulations and ensure the availability of reliable and timely information for management use. Furthermore, the adherence to and full implementation of management controls should reduce the risk of inefficient use of resources by increasing individual accountability and responsibility, and raising awareness of the need for good stewardship of Army materiel in the 21st century.

Competitive sourcing

Competitive sourcing or outsourcing will raise the importance of and need for management controls because the procedures and policies that make up the outsourcing process are in fact controls. Competitive sourcing is one of several Defense initiatives to improve how DoD does business to support the warfighters. In its March 1996 report to Congress, Improving the Combat Edge Through Outsourcing, DoD identified its competitive sourcing initiative purpose as to improve the quality and efficiency of support to warfighters, sustain or improve readiness and generate savings for modernization. On Nov. 10, 1997, the Secretary of Defense introduced the Defense Reform Initiative, an effort to improve business practices within the Department by adopting best practices from the private sector, streamlining operations, competing activities and eliminating functions, structures and unneeded jobs. Included in the competitive sourcing initiative is OMB Circular A-76, Performance of Commercial Activities (A-76 process) that prescribes how to do competitive sourcing studies.

The initiatives just mentioned contain detailed procedures, processes and policies that are in fact management controls, according to the earlier description above. For example, management controls are intended to help ensure that planned results are achieved, and the A-76 process does that. The procedures and policies within the A-76 process help ensure that an in-house cost assessment of a commercial activity is developed and independently validated and is competed against private sector cost assessments to provide the most efficient and effective support to the warfighters. The Army's commercial activities program—which implements OMB Circular A-76—contains provisions to protect resources (federal employees) from misuse. The Army program protects displaced federal employees who lose their jobs as a result of competition by requiring the right of first refusal to displaced workers for jobs with the contractor.

Another competitive sourcing issue likely to raise the significance of management controls is the potential contracting out of battlefield support positions. According to an article in the Washington Post, as many as 400,000 military jobs, many of which are battlefield support positions normally filled by Reservists, could be given to private contractors. Should that occur, outsourcing could have a significant impact on how we fight wars and meet other contingency operations in the 21st century. The importance of and need for management controls can best be seen in the complex issues raised by having substantial numbers of contractors providing battlefield support. A guest speaker, during a question and answer session in my Sustaining Base Leadership and Management Class 99-2, opined that management controls would be more complex in the 21st century because the mix of people doing the work would change. The speaker specifically mentioned contractors on the battlefield and said there were many unresolved issues that would require the establishment of management controls, e.g., whether the Army should:

- Protect contractor personnel—to include arming them;
- Subject these personnel to the jurisdiction of the Uniform Code of Military Justice;
- Require them to wear uniforms;
- Consider the applicability of the Geneva Convention Rules of War to contractor personnel.

I agree with the speaker's assessment and believe that the controls will have to state explicitly the "how and what" when addressing these issues. Because of these and other issues associated with competitive sourcing, I believe the importance and permanence of management controls will continue well into the new millennium.

Maintaining effective controls depends on attention and effort from those responsible for implementing and monitoring them. I believe General Gordon Sullivan, former Army chief of staff, captured the idea: "We must improve our stewardship—how we safeguard our physical assets, how we control sensitive items, how we account for and report our financial assets—and we must invest our time and energy to do it now." Success begins with leadership; therefore, responsible leaders within the DoD must take the initiative to maintain effective controls. That initiative is taking place now, as demonstrated by the Defense Reform Initiative and its many directives and other DoD actions to reform financial and quality management. The challenge is to continue this momentum into the 21st century, especially at the lower levels of command.

I believe the Army's challenge will be especially great, because Army managers will continue to be directed to do more with less. Following the adage to do more with less could encourage Army managers to relax or skirt established management controls to find expeditious ways to discharge their assigned responsibilities. One way to minimize such potential behavior is to educate Army managers on the importance of management controls to the effective execution of their missions. Another approach to keep Army managers honest is to make sure that their performance standards make them responsible for management controls, where appropriate.

The timely update of management controls should help maintain effective controls throughout the Army's "operational systems management environment." Established procedures in the Army's management control program require formal evaluations of key management controls (conducted at least once every five years—more often if deemed necessary by higher headquarters) and the reporting of any identified material weaknesses to the next level of command for disposition. Any identified material weaknesses in the management controls must be corrected. On an informal basis, Army managers can review their controls as often as necessary and make any needed adjustments. Correcting material or non-material weaknesses in management controls will help maintain effective controls in the 21st century.

Summary

Change will characterize the 21st century just as it has all preceding centuries. The Department of the Army and its sustaining base will need to meet the new challenges brought by change. One tool Army managers will have at their disposal is management controls. Army managers in the 21st century will still need controls that make sure that what's supposed to happen does happen—at the right time, according to established guidance and in an effective manner. Statutory law and executive agencies' implementing directives and regulations have institutionalized management controls in the federal government. The importance of and need for management controls as a basis for mission accomplishment will continue to increase because of several factors.

The factors include: a fiscally constrained resource environment, the need to protect displaced workers caused by A-76 competition, the push to outsource services traditionally viewed as "untouchable"—the possible contracting out of battlefield support positions and the need to maintain effective controls through education, evaluation and assigned individual responsibility. Management controls will help managers in the sustaining base to address and resolve current issues while allowing them the opportunity to explore the application of controls on emerging issues of the 21st century.

About the author

Dr. Earl Brown, Jr. has worked for the U.S. Army Audit Agency since 1982 and is currently assigned to the Organizational Effectiveness division within the Policy and Operations Management directorate as an assistant program director monitoring and executing the agency's Army quality assurance and management control programs. After earning undergraduate and master degrees in business administration from the University of Indianapolis, he received a Juris Doctor degree from the Indiana University School of Law at Indianapolis and is a Certified Fraud Examiner.

Defense Planning Guidance

The essential link among planners, programmers and warfighters

by Col. (Ret.) Paul D. Bransford

The office of the Secretary of Defense (OSD) and the military service departments are responsible for planning and programming national defense resources. Warfighting, on the other hand, comes under the combatant commands, their commanders in chief (CINCs) and the joint chiefs of staff, or JCS. The services and defense agencies, not the CINCs, plan and program resource allocation. Several means are available to forge the link between resources planning and programming and warfighting, but most important is the Defense Planning Guidance (DPG).

DPG plays a vital role in programming the allocation of resources that warfighting CINCs need to accomplish national security missions. I'll explain how by relying on an abbreviated "textbook" description of the planning, programming and budgeting system (PPBS) and joint strategic planning system (JSPS) and some of their products. At the end are some of my observations in applying these systems to develop the Army's six-year budget plan or POM while on active duty with the Resources and Management directorate in the office of the Army's deputy chief of staff for logistics.

DPG as the vital link.

As the primary product of OSD planning and the culmination of the PPBS planning phase, the DPG issues the OSD's annual guidance to the military departments, identifying key planning and programming goals, priorities and objectives to carry out the national military strategy. It also includes fiscal constraints for developing the services' and defense agencies' POMs, i.e., their recommendations on resource allocations for proposed programs to achieve DoD's assigned missions and objectives. POMs thus serve also as the services' proposals for allocating resources for the warfighting CINCs to accomplish their missions. The DPG then serves as the vital link between JSPS, which identifies the warfighting requirements, and PPBS, which recommends the allocation of resources needed to accomplish national security missions.

JSPS products give strategic plans and direction to America's military forces. They are the means by which the JCS chairman, in consultation with the other chiefs of staff and combatant commanders, reviews the national security environment and U.S. national security objectives, evaluates the threat and assesses current strategy and existing or proposed programs and budgets. JSPS provides proposed military strategy, programs and forces necessary to achieve national security objectives in a resource-limited environment. These proposals must be consistent with the policies and priorities established by the president and Defense secretary.

The national military strategy or NMS, a product of JSPS, provides to OSD the JCS chairman's vision of how the military element of national power supports national security objectives. The NMS assists OSD in preparing the Defense Planning Guidance. It furnishes the advice of the joint chiefs and the combatant commanders to the president, the national security council and the defense secretary on the recommended national military strategy and fiscally constrained force structure required to support attaining national security objectives.

Two other products from JSPS, the joint planning document and the chairman's program recommendation, also support the NMS by furnishing concise programming priorities, requirements and advice to the OSD for consideration during preparation of the guidance.

The CINCs influence POM development by sending their highest priority needs to OSD and the JCS chairman in their integrated

priority lists. The services have to include special annexes that show how their POMs respond to CINCs' needs and their high-priority issues. The CINCs also get to review the services' POMs to be sure their needs have been addressed.

The continuous planning and assessment loop closes with a statement called the chairman's program assessment that judges the composite POM of submissions from all services and defense agencies. It summarizes the joint chiefs' views on the balance and capabilities of the POM force and support levels necessary to attain U.S. national security objectives. It also addresses whether the services' POMs conform to strategic-plan priorities and the CINCs' requirements.

Army programming as a DPG product

To illustrate DPG's importance to the services' resource programming, let's look at POM development from a military department perspective. These are some things I noted from personal experience on the Army staff as administrator for one of the Army's program evaluation groups or "pegs" in developing an Army POM.

First, a distinction: PPBS is the DoD-level planning, programming and budget system. The Army has added execution to its system and made it PPBES (you hear it called "peebs") to emphasize executing programs and budgets according to plans. The Army's programming process is far too big and complex to describe in detail here, so I'll try to keep it simple in showing how the Army integrates DPG into its programming process.

The POM is the Army's final product in program development. It is based on several key programming guidance documents from Army headquarters, led by a draft of The Army Plan (TAP). Because the DPG arrives late in the Army's POM development process, TAP is issued in draft to get the process started without delay. TAP states Army leadership policy, provides resource guidance and identifies and refines Army missions and future force structure. The POM development instructions and program budget guidance that Army headquarters sends to the commands contain detailed instructions on electronic formatting and in general give the direction commands need to submit a POM. Once the DPG arrives and is analyzed for Army impact, then TAP goes final.

Each Army command usually submits as its POM a brief narrative description of program (not resource) requirements for the future years defense plan, commonly called FYDP or "fydip." The Army's "pegs," program evaluation groups like the one I worked on, translate program requirements into resource or dollar needs. Six such groups, for manning, training, organizing, equipping, sustaining and installations, recommend how to allocate dollars within limits set by OSD and apportioned them by the Army's program analysis and evaluation director.

Army commands usually submits as its POM, a brief description of program requirements for the future years defense plan, commonly called FYDP.

Each "peg" has several members, including a program manager for requirements determination—normally an Army colonel—who acts as the administrative chairperson. Other members are a program manager for budget and performance evaluation, an appropriation sponsor, a member from the Army secretariat and a member from the Army's Program Analysis and Evaluation Directorate (PAED). Whereas the joint chiefs validate program requirements from CINCs' perspective, the "pegs" validate program requirements from commands' perspectives and look at resource requirements from program managers. The functional groups then recommend allocation of resources to meet requirements within fiscal constraints from OSD and PAED. Program evaluation groups are vigilant to assure that

commands' POMs accord with The Army Plan and comply with and meet DPG requirements.

The PEGs, in coordination with Army PAED, keep the two-star level planning programming budget committee (PPBC) fully informed of their activities and elevate unresolved conflicts between command POM submissions and TAP or the DPG. The committee has three co-chairs—nicknamed the "three wise men": the assistant deputy chief of staff for operations, the program analysis and evaluation director and the deputy assistant secretary for budget. Each chairs the committee during, respectively, the planning, the programming and the budgeting phase of the PPBS cycle. The PPBC briefs a 4-star level senior review group co-chaired by the Army's under secretary and vice chief of staff. That group then reports to Army resources board, chaired by the Secretary of the Army and vice-chaired by the Army chief of staff, who make final decisions on Army POM submissions to OSD.

Summary

The purpose of PPBS is to produce a plan, a program and a two-year budget for OSD, with an ultimate objective of giving combatant commanders the best mix of forces, equipment and support possible within fiscal constraints. Together, JSPS and PPBS ideally identify the best possible mix of missions, forces, equipment and support to the combatant commanders. From the joint planning perspective the entire process is interrelated from beginning to end, with the combatant commanders' warfighting requirements and capabilities in mind. The essential link in this process is the Defense Planning Guidance.

PRMC Class 2000-III graduates

Eight military and 15 civilian students from five major commands, HQDA and the Defense Finance and Accounting Service graduated April 7 from Professional Resource Management Course (PRMC) class 00-III at Syracuse University, New York. Students completed four weeks of graduate instruction in the process and the environment of resource man-agement. They also worked group exercises to improve communication and decision-making skills. Congratulations to all on finishing this challenging instruction.

Name	Command
Randy L. Brennan	USAREUR
Lt.Col. Richard D. Campbell	FORSCOM
Lt.Col. Ellis D. Colvin	TRADOC
Maj. Sheila C. Denham	OASA(FM&C)
Maj. Robert E. Derrane	USACE
C-7A Wolfgang Diehl	USAREUR
Flora K. Duque	TRADOC
Sheila B. Ferguson	OCAR
Wanda C. Ferguson	USAREUR
Justine C. Fleming	TRADOC
Sharon Hodges	DFAS
Virginia E. King	MTMC
Linda L. Langley	DFAS
Beverly McAlister	USAREUR
Robert McCarver	DFAS
Maj. John H. McDonald II	USAFCC
Ruth McWilliams	USAREUR
Patricia Mitchell	USAMDW
David M. Phelps	EUSA
JoAnn E. Putnam	USMA
Sandra L. Ramos	HQDA
Charles S. Schuetz	EUCOM
Jacqueline Y. Taylor	OCAR
Karin H. Vervuurt	AMC
Verna S. Williams	OCAR
Maj. Thomas F. Willson	FORSCOM
Kiwon Yi	EUSA

About the author

Col.(Army, ret) Paul Danny Bransford, now a contractor with the office of the Army deputy chief of staff for logistics, recently finished 26 years of military service in staff and command assignments at tactical, operational and strategic levels, including the resources and management directorate where he works now. He is a graduate of the Army Logistics Management College, the Command and General Staff College and the Industrial College of the Armed Forces and also holds a master's degree in Logistics Management from the Florida Institute of Technology.

Army's CFO Strategic Plan:
High drama in Army planning

by Andrew C. West and Eric A. Yungner
PricewaterhouseCoopers
Special to Resource Management

Fiscal year 2003, two years from this October, is the target "go-live" year for the Defense Joint Accounting System, DJAS, an integrated system for accurate financial information reporting for DoD organizations. Without such information, Army leaders and managers do not have optimal use of scarce resources to equip, train and provide for the well being of soldiers. As calls for fiscal discipline grow louder, elected officials demand increased accuracy in financial information used for budgeting and for proving sound stewardship of public dollars.

Army financial leaders are gearing up for DJAS to meet the challenge of demonstrating sound stewardship through careful planning. Two important Army Chief Financial Officer (CFO) strategic plans, for the general fund and the working capital fund, are at the core of this planning initiative.

Background. An old Army adage says that plans don't fail, but people fail to plan. That's what happened early in 1998, seven years after the Office of Management and Budget designated Army as a Chief Financial Officers Act pilot agency. The Army found itself trying to fulfill the requirements of the Act without a collective plan for doing so.

The early 1990s saw many Army efforts to integrate functional and financial management processes and systems. However, no single comprehensive management plan had been developed to guide and coordinate such integration. In May 1998, representatives of the Army's major functional areas formed a new strategic planning work group for financial management improvement to address the shortcoming. Ernie Gregory, Deputy Assistant Army Secretary for Financial Operations, described to the audience a vision of future Army financial management shared by the Assistant Secretary for Financial Management and Comptroller, Helen McCoy. The vision was simple: the U.S. Army would obtain an "unqualified" (i.e., unconditional) opinion that its 2003 financial statements were in order.

An unqualified opinion means financial auditors believe that an organization's financial statements fairly present the operations and financial position of the reporting entity. In the federal government, the auditors might be from the General Accounting Office, the service's inspector general office, the department's internal audit organizations or certified public accountants from commercial firms. Publicly held companies in the private sector have had their financial statements audited annually for over a hundred years and anything less than an unqualified opinion spells disaster for them. A "qualified" opinion means that their financial information can't be trusted by investors who own or might buy their stocks or bonds.

The CFO Act of 1990 requires among other things that major federal departments have audited financial statements like those of the private sector. However, because federal financial systems and internal procedures were not originally designed to produce financial accounting information on a par with the private sector, it took years for any major federal department to achieve an unqualified opinion. Army is still trying for its first. Gregory's vision of earning an unqualified opinion was a short, succinct way of pledging that the Army would obtain better and more accurate financial accounting information about its operations—a necessity to meet the CFO Act mandate and to ensure that functional managers and leaders had the right information for making critical decisions.

With the vision articulated, Gregory spelled out the strategic planning working group's charter: develop an integrated 5-year plan that would lead to an unqualified opinion, set in a corporate philosophy that prized every leader as a steward of Army assets. Whether making decisions on Army end-strength, procuring Army systems, or planning and conducting training, today's leaders must confront stewardship issues. Despite diligent effort in the last eight years toward financial reporting accuracy, the department has yet to convince auditors it is properly accounting for assets. With the advent of DJAS in two and a half years as planned, the new system may be the key step in the strategic

planning working group's quest to reach its goal and realize its vision.

A plan is born. Throughout 1998, the Army working group and Secretariat worked to develop their plan. On Oct. 1, 1998 they introduced the first edition of the 5-year plan, reaching to Sept. 2003. Although titled the Army CFO Strategic Plan (General Fund), it is not just a plan for financial officers but a strategy requiring active involvement and support of the whole HQDA.

The CFO strategic plan is an Army-wide management plan to improve accuracy, timeliness and usefulness of financial information. Its success will align the Army with the principal CFO Act mandate of producing auditable financial statements. Key to this success will be integrated functional and financial management processes and systems.

Army and financial management visions are intertwined. At its heart, the CFO strategic plan is about efficient use of scarce resources and that is what will enable the Army to realize its overarching vision: "Soldiers on point for the Nation . . . persuasive in peace, invincible in war." More important than the actual goal itself is the journey toward that goal.

Improvements made while creating integrated functional and financial processes and systems promise a critical resource to Army leaders and managers: timely and accurate financial information. With such information, the Army will be better able to assure access to resources for modern equipment and training that make the force ready to respond to our Nation's needs. Availability of resources is surest when decision-makers have highly reliable information on which to base resource decisions. As things turn out, the work enabling the Army to give reliable financial information to decision-makers is the same work that will align Army financial record keeping with CFO Act mandates.

The action. One of the CFO strategic plan's critical success factors was ensuring that it got continual care and feeding and didn't die on a dusty bookshelf. In a show of commitment and solidarity, the work group agreed to meet quarterly to assess progress in executing their plan. Last year the group met four times and witnessed significant Army-wide progress, with functional managers completing more than 100 tasks in the plan's first year. By executing the remaining two-thirds of the plan, the Army will be doing its part to place reliable financial information in the hands of commanders and leaders at every level.

The sequel. Focusing only on the Army's general fund isn't enough. The working capital fund must also comply with the CFO Act's multiple mandates. Because of this, the Army last fall began developing another CFO strategic plan for the working capital fund, with a target completion date of this summer. Once completed, working capital managers will focus on goals, objectives and tasks in their plan in much the way their colleagues have done with the original general-fund plan. Tasks completed in one plan may affect many in the other, due to the cross-functionality of many of the tasks or objectives; so, eventually the two will merge, as fund-unique tasks are done and most of those remaining become common between them. For now, the two plans are being monitored separately through quarterly in-process reviews, the results of which get reported to senior Army leadership through the quarterly assessment and performance review process known as QAPR or "quapper." This continued top-level interest is of course critical to the plan's success.

Summary. Producing auditable financial statements and making sound resource decisions require the availability of reliable financial information. Producing reliable financial information, in turn, requires integrating many independent vertical processes and systems that consume financial resources with the financial management process and systems themselves. Only in such a way can commanders, program managers and accountants gain tools necessary to do their jobs in support of the mission and the soldier.

These two strategic plans are living documents. As the strategic planning work groups learn more, new tasks come up and existing tasks are refined, restructured or dropped. The Financial Operations staff at Army headquarters is working to make these plans more meaningful for managers and more informative for leaders. The plans depend on the cooperation of more than 25 separate Army organizational elements, each of which plays a key role in the plans' success. Continued progress in both plans will ultimately lead to unqualified opinions on Army financial statements—the measure of success upheld by the CFO Act by which stakeholders such as Congress, OMB and citizens will judge the Army's public stewardship.

At the intersection of learning and technology:
The AMSC electronic campus

by Bill Smallman
Reprinted with permission from *Visions*, the AMSC Newsletter, January 2000

"Your career is like milk; it has a date time stamp"—the words of Don Tapscott, New Paradigms Learning Ltd. Taken in the context of his keynote presentation at TechLearn 98, his message was clear: we must continually learn, or the "milk" will spoil. How then do we make the time and find the resources to keep our skills fresh and our minds open to new ideas and continuously learn, so that we can lead fulfilling lives and keep the "date time stamp" on our careers fresh?

The Army Management Staff College is committed to providing high quality educational offerings to members of the Army sustaining base. Emerging technologies provide AMSC the ability to expand available educational resources and to facilitate access of our constituencies to those resources. Unparalleled opportunities exist to enhance the educational experience of our constituents by creatively exploiting these opportunities at the intersection of technology and learning. Here I'm going to discuss the latest initiative for AMSC in the learning and technology arena, the Electronic Campus.

What is the AMSC Electronic Campus?

The Electronic Campus, or EC, is a web-based learning and information resource tailored to the needs of sustaining base leaders and managers. Currently under construction, it is the result of an AMSC study on how to infuse technology and learning across all major programs within the College. These programs include the Resident and Nonresident Sustaining Base Leadership and Management Program (SBLM), the Garrison Precommand Course (GPC) and Personnel Management for Executives (PME). The EC has been designed to serve all constituencies of the College. These constituencies include prospective students, resident students and alumni as well as faculty, staff and stakeholders external to the college.

Why an Electronic Campus?

Well, it is not just about Distance Learning, if that's what you're thinking. While the EC will support many of the goals of Distance Learning and provide great resources for our Nonresident Program constituents, we see its use as much farther reaching. The EC is intended to provide:

- A wider array of learning resources
- An opportunity to explore subjects of interest in more detail than resident classroom time often permits
- Access to resources external to the College
- The opportunity to be a contributor to, as well as a consumer of, AMSC educational materials
- The opportunity for networking and collaboration with other AMSC constituents and stakeholders
- The opportunity to engage prospective students, students in residence and alumni.

Additionally, the EC is viewed as an important component of our strategic plan. The strategic plan identifies two core competencies for AMSC. The first is to educate sustaining base leaders and managers. The second is to be an information resource for the sustaining base. Hence, the EC will play a pivotal role in both of our stated core competencies. Indeed, there is probably no other reasonable way to satisfy the second core competency without the use of this technology.

Key concepts:

- "Augmentation versus Replacement" – The campus has been created to augment the learning opportunities provided by AMSC, not to replace any program.
- "Collaborative Learning" – The campus provides resources that enable learners to work together and to collaborate on ideas and projects.
- "Consumers and Contributors" – We welcome you to be consumers of AMSC learning materials but hope many of you will be contributors as well. How might you contribute? Well, for example, we plan to greatly expand our reposi-

tory of research papers and professional articles produced by SBLM students. Full text copies of these papers will be available in the research database of the campus. Another example might be contributions to "lessons learned" repositories for those who choose to participate in asynchronous or synchronous discussion groups. There will likely be opportunities for many to contribute.

♦ "A Community of Learners" – The campus will provide an opportunity for networking and communication with other sustaining base leaders and managers.

♦ "Learning Pre-, During and Post-Resident Attendance" – The campus provides learning resources for consumption prior to attendance, while in attendance and after graduation from AMSC programs. We encourage you to become lifelong learners.

♦ "Learning Objects" – Learning objects will reside in each program section throughout the campus. They might be in the form of articles, research papers, streaming audio and video files, power point presentations, book summaries or other products. While the learning objects in each program section of the campus—there will be four, one for each of our major programs identified above—are targeted to constituents of those programs, you will find that each program section is designed to have broad appeal and interest to all sustaining base leaders and managers. A keyword search will display "learning objects" located throughout the campus and will not be confined to the user's current program section.

When is the EC coming?

You might be saying to yourself, "Promises, promises; sounds good, but when will I be able to see it and judge for myself?" Well, we're working on it. As you might imagine, this is a pretty *big* undertaking. Actually, we are proceeding in phases.

Construction on phase 1, the GPC section of the campus, began late last year. Construction of the campus continues. Remember, while the content of this section is targeted to our GPC constituents, we are confident you will find learning resources within this section of the campus useful. There will be no need to wait until the entire campus is complete to check it out. In fact, in an ideal world, the EC may never be complete. Whatever it looks like upon initial release and whatever content it has, we can be sure of one thing – change.

Summary. The EC will provide you a place to take charge of your own learning, to direct it as you see fit and to tailor it to your individual needs. It will provide you an opportunity to network and collaborate with other sustaining base leaders. It will provide you the opportunity to become a contributor to as well as consumer of AMSC educational products. The campus will be one more resource in your leader's and manager's "tool kit." The GPC section of the campus, when released to the public later this year, is just the beginning of what we hope will result in a worldwide community of AMSC learners. These are exciting times. There is much work to be done, but the future holds great promise. Keep that "date time stamp" fresh.

About the author

Bill Smallman passed away in March. He had been with the Army Management Staff College since 1991 and was a Professor of Sustaining Base Leadership and Management in the resident and nonresident programs. Bill created the Electronic Campus, a major initiative to supplement the AMSC curriculum. He will be remembered by many, including hundreds of CP 11 alumni of the program.

PMCS Class 00-B graduates

The Army had two military and two civilian students among the graduates of the Professional Military Comptroller School class 00-B, which finished on March 3. Students completed six weeks of graduate instruction in contemporary resource management issues and problems facing financial managers throughout the DoD. The Air Force, Navy, Marine Corps and Defense Finance and Accounting Service also had students graduate with this class.

Name/ Command

Coleen J. Black / FORSCOM
Lt. Col. Kirk A. Davis / JCS Pentagon
Cynthia L. Fong / FORSCOM
Maj. John H. McDonald / ARCENT

The AMSC nonresident program, distance education and the technology thing

by Dr. Ursula Lohmann

Reprinted with permission from *Visions*, the AMSC Newsletter, January 2000

Right from the start, we knew we wanted our nonresident Sustaining Base Leadership and Management Program (SBLM) to exemplify the best in student learning opportunities for students who couldn't attend the resident version of the program. For a detailed description of the program, see AMSC's homepage on http://www.amsc.belvoir.army.mil. We felt that our SBLM taught via distance learning had much to teach us about how students learn outside the relatively controlled environment of the physical classroom and schoolhouse. We wanted to develop a program that could grow into using tools not yet available to us.

We designed and developed a limited pilot in 1991, using students along the East Coast as the test population from Sept. 1992 to Sept. 1993. In this way, we felt we could meet with the students regularly to assess both their progress in and perceptions of the program. Although only eight years ago, that time now seems several centuries ago in terms of available technology.

We designed the nonresident SBLM to subscribe to the same adult education principles as the resident program and to contain the same content, changing the delivery method and explanations to suit remotely located students. We phased the program and gave it written and oral evaluations similar to the resident program. We required students to keep up with the work. We designed work that would require students to interact with each other or with people at the work site. We designed additional evaluations of nonresident students to make up for lack of daily observation and feedback.

An opening week in residence allowed students to learn about each other as colleagues and potential resources. Faculty use this time to help students build teams and reinforce the value of the team concept in a learning environment. A closing week in residence exercised the students' abilities in a capstone event and allowed faculty to counsel students face-to-face as they exited the program. An awards program and a graduation ceremony capped 12 months of intensive work.

We offer nonresident students today a SBLM greatly enhanced by using the gifts of technology. Students in a typical nonresident class live in five different countries and at least 60 locations in the continental U.S. During the initial resident week, faculty familiarize students with the core concepts and the reality of virtual seminar meetings—a challenge in time management exacerbated by different time zones! Students set their own meeting times during the first in-residence week. In this way, they have the best chance of meeting everyone's needs. Seminars meet online synchronously using either America On Line (AOL) chat rooms or the AMSC virtual classroom in Military City On-line (MCO). Students augment these meetings with occasional multi-point telephone conferences.

Faculty also familiarize students with the use of CAUCUSTM collaborative software used for asynchronous communication. Socratic discussions characterize much of the nonresident program's on-line learning. CAUCUSTM allows faculty and students to analyze, evaluate and synthesize their discussions step-by-step. In fact, the nonresident students probably receive more faculty scrutiny of their discussions because of the ability to store and retrieve them.

Students do much of their research on-line, too. Using the electronic databases available through the AMSC library, students may search almost every database available

throughout the Army system and the Library of Congress. The cyber-schoolhouse on AOL/MCO also has a library area. Here students may upload and download literature, supplementary readings, interview transcripts and surveys. Most importantly, this area allows students to share the good resources they find with other students across the class.

Of course, students fully utilize the Internet/www for their research, too. Large files may be shared with classmates through the AMSC file transfer protocol server. Thus, we make the same resources available to the resident and nonresident students. In fact, the matter of searching and utilizing information has truly become one of distance education as the distance itself has become irrelevant through the use of technology.

Perhaps this is a good place to mention the article on AMSC's emerging electronic campus, also in this issue. Most of the on-line research capabilities will eventually reside there. Now students from all programs will be able to use the resources available in every AMSC program.

The nonresident program has many similarities, in fact, with the resident SBLM. Both programs, of course, provide the same content and reside within AMSC—one in physical space, the other in virtual space. Both have a class leadership team. In the resident program, the students meet in a conference room; in the nonresident, students meet on-line, through conference calls or by video-teleconferencing. Both programs support an active seminar life. In the resident program, students catalyze actions and cohere life in seminar; in the nonresident program, students catalyze actions and cohere virtual life in seminar through the influence of the on-line discussion. Both programs thrive on active discussion, the one in the physical seminar, the other in the virtual seminar.

Counseling also occurs in both programs. Resident program faculty can counsel students on the spot. The nonresident program's counseling on-line and over the telephone demand the self-discipline and time management of both student and faculty. Faculty "meet" with students at least once a week. Since the resident program faculty have only 12 weeks in which to counsel students, opportunity for on-the-spot counseling is taken as it presents itself. Observation of students occurs daily. The nonresident program faculty have 12 months in which to accomplish the same thing. Virtual observation, except for the two in-residence sessions, comes primarily through on-line seminar interaction, CAUCUSTM discussions and feedback on submitted requirements.

Both programs require a capstone exercise in which students use what they have learned throughout the program; and, of course, both of these take place in resident sessions, with the nonresident students preparing for the exercise before they arrive. Both programs have an awards program, for which the AMSC Faculty Awards Review Committee evaluates the nominations. Awards and student recognition are followed by a graduation ceremony that fully recognizes students' efforts and contributions.

Technology, though, has done much to equalize the two programs. Beyond content, it is the reach to faculty, information resources and fellow students that defines the experience for both programs, albeit in very different ways. Through the gifts of technology, both resident and nonresident students now may take their daily advantage. They can connect with faculty and classmates, share resources, and process information as if they were both residing within the walls of the college.

Much of what we learned about students who learn at a distance we learned through our experiences with the nonresident students. While we may not have predicted in 1991 that we would have developed to an integrated electronic campus, using the above technologies and many more, by 1999 we were sure the nonresident students would lead the way. In 1991 we had the concept but not the tools. Now we have both.

PERSPECTIVES

OFFICE, ASSISTANT SECRETARY OF THE ARMY
(FINANCIAL MANAGEMENT & COMPTROLLER)

The following sections were written by different OASA(FM&C) deputies. Not every deputy will provide input for this feature.

Resource Analysis and Business Practices

by Dr. Robert W. Raynsford

Implementation of the Federal Activities Inventory Reform (FAIR) Act of 1998 has generated considerable interest throughout the federal government. I would like to use this opportunity to provide an update of recent actions related to the FAIR Act specifically as they apply to the financial management community.

As you know, the FAIR Act requires federal agencies to submit to the Office of Management and Budget (OMB) and to make available to the public an annual inventory of commercial activities performed by civilian employees. OMB guidance in the Federal Register stipulates that listing a function in the FAIR inventory does not mandate that it be competed, only that it be "considered" for competition within a "reasonable time."

The FAIR Act inventory, released late last year, includes about 504,000 DoD civilian jobs, of which 196,000 were determined to be exempt and will continue to be filled by government employees. The other 308,000, including about 84,860 Army positions, will be targeted as potential candidates for outsourcing.

Under the FAIR Act, private contractors can challenge DoD's assertion that jobs should not be outsourced. Conversely, employee/federal unions can challenge the inclusion of jobs on the outsourcing list. The Secretary of the Army delegated authority to decide FAIR Act challenges to the Assistant Secretary of the Army, Manpower and Reserve Affairs (M&RA) and authority to decide FAIR Act appeals to the Under Secretary of the Army. The M&RA goal is to maintain a credible and objective process which results in decisions that apply Army-wide rather than to individual positions.

M&RA received 123 viable challenges prior to the cut-off for submissions at the end of last January. Of those, only the three below affected financial management positions.

Fort Detrick, Md. The American Federation of Government Employees challenged 11 reviewable positions that the union maintained should be inherently governmental.

U.S. Military Academy, West Point, N.Y. Individual academy employees challenged the coding of internal review auditor positions graded GS-12 and below as non-inherently governmental.

Fort Carson, Colo. Individual installation employees in program analysis-type positions challenged the reviewability of their positions.

In virtually all of these challenges, the positions affected did not meet the very strict definition of "inherently governmental" incorporated into the FAIR Act. It is our opinion that many of these positions should not be competed for reasons of enlightened career management, career progression or perceived risk associated with private sector performance. Given that, one of our future challenges will be to formulate and implement policy decisions based on risk assessments and career management considerations with regard to these positions.

Challenges were accepted for 30 days following publication of the FAIR Act database last December, and appeals to the Army's FAIR challenge decisions may still be submitted. It is also expected that there could be some congressional inquiries. We continue to work with M&RA on the FAIR Act process and particularly on actions that could affect the financial management functional area.

Information – Staying With It . . . Are You With It?

by Maj. Gen. Jerry L. Sinn, with Maj. Keith N. Gafford and Maj. Dan Cureton

As resource managers, where are you? Are you with it? Take this quick test to find out. Test Questions: Choose only one answer per question. See answer key on the bottom of page 8.

1. What is the total amount of the Army's fiscal 2001 president's budget submitted to Congress?
A) $68.0 billion B) $70.8 billion
C) $75.0 billion

2. Gen. Shinseki, the Army chief of staff, has pledged to "man" the divisions and armored cavalry regiments at 100 percent of authorization by Sept. 30 of what year?
A) 2000 B) 2002
C) 2003

3. What portion of this year's emergency supplemental request is for Army operations in Kosovo?
A) $4.5 billion B) $8.0 billion
C) $1.5 billion

4. What are the three things Army Secretary Caldera and Gen. Shinseki portray as their main focus?
A) people, readiness and transformation
B) duty, honor and country
C) lethality, survivability and sustainability

5. What two combat engineer systems did the Secretary of Defense terminate to help fund the Army Vision?
A) Combat Engineer Vehicle and Digital Topographic Support System
B) Cusader and Comanche
C) Grizzly and Wolverine

6. What is the estimated cost of the Army transformation in fiscal 2001?
A) $5 billion B) $1 billion
C) $3 billion

7. What percent of next year's Army budget will be used for paying military personnel (MILPERS)?
A) 40 percent B) 60 percent
C) 20 percent

8. What percent of next year's DoD president's budget is for the Army?
A) 15 percent B) 25 percent
C) 35 percent

9. According to its Vision statement, how many brigades does the Army want to transform each year?
A) six B) four
C) two

10. In the fiscal year 2001 president's budget submitted to Congress, what percent of known contingency operations is funded?
A) 50 percent B) 75 percent
C) 100 percent

11. What percent of next year's Army budget is for the Army National Guard?
A) 5 percent B) 10 percent
C) 20 percent

12. What percent of the 2001 Army budget is for the Army Reserve?
A) 6 percent B) 15 percent
C) 20 percent

13. How much money is programmed for Army environmental restoration in next year's budget?
A) $37 million B) $378 million
C) $3 million

14. In the Army Vision, Secretary Caldera and Gen. Shinseki want to be able to deploy five divisions anywhere in the world within how much time?
A) 96 hours B) 120 hours
C) 30 days

15. How much money is programmed for military construction in next year's budget?
A) $10 billion B) $1 billion
C) None

16. What percent of the fiscal 2001 president's budget is for research, development and acquisition (RDA)?
A) 21 percent B) 33 percent
C) 5 percent

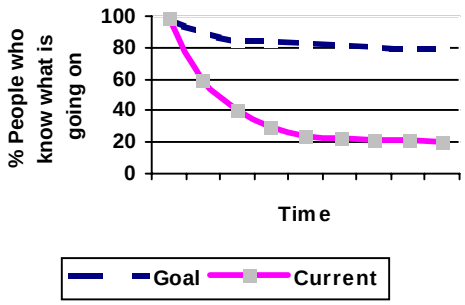
17. What percent of the 2001 budget is for research, development, test and evaluation (RDTE)?
A) 24 percent B) 16 percent
C) 8 percent

18. In the Army Vision, all vehicles must have common chassis and at a minimum be able to fit inside what type of aircraft?
A) C-5 B) C-130
C) C-17

19. In the Army Vision, Secretary Caldera and Gen. Shinseki want to be able to deploy a brigade size combat team anywhere in the world in how much time?
A) 96 hours B) 120 hours
C) 30 days

20. How much money is programmed for Army contingency operations in next year's Army budget?
A) $10.0 billion B) $2.7 billion
C) $1.0 billion

Leaders in our profession know how important it is to disseminate accurate information quickly to all levels of the organization. A good leader must ensure that everyone is engaged, that is, everyone is working toward organizational goals and objectives.



The early phases of all operations or projects allow widespread release of information within the organization (see the figure). As the operation progresses, situations change and the pace quickens. Changing situations and short suspenses limit the number of individuals involved in decision-making and often the execution process itself. As the mission continues and leaders do not pass new information to all members of the organization, you eventually end up with only 20 percent of the people doing 80 percent of the work. The small part of the organization that is "in the loop" is actively engaged in completing the task. The majority of the organization, however, is not contributing to the mission, and their talents are being wasted. Therefore, good leaders must move information and check to make sure the correct information has been given to the entire organization. At the same time, good supporters must keep their "heads in the game" and stay attuned to the latest developments.

Wherever you are stationed and at whatever organizational level you work, develop your own test for information pertinent to your situation. Whether you are a leader or a supporter, no matter where you are, it is critical to efficient and effective resource management to ensure we all "stay with it!"

******** Web Sites ********

The following list of web sites from the U.S. Army Publications Agency may prove helpful. By providing these locations, we hope to reduce the time spent on searches and the resulting strain on automated systems. ***(Sites are alphabetical in each category.)***

Department, Command, Agency, Organization Home Pages

Army:
http://www.army.mil

Army Forces Command (FORSCOM):
http://www.forscom.army.mil

Army Materiel Command (AMC):
http://www.amc.army.mil

Army Medical Department (AMEDD):
http://www.armymedicine.army.mil/armymed/default2. htm

Army National Guard (ARNG):
http://www-ngb5.ngb.army.mil

Army Reserve Personnel Command (AR-PERSCOM):
http://www.army.mil/usar/ar-perscom/arpercom.htm

Defense Finance and Accounting Service (DFAS) Indianapolis:
http://www.asafm.army.mil/DFAS

Department of the Army (DA):
http://www.hqda.army.mil

Defense Information Systems Agency (DISA):
http://www.disa.mil/disahomejs.html

Department of Defense (DOD):
http://www.defenselink.mil

General Services Administration (GSA):
http://www.gsa.gov

Logistics Support Activity (LOGSA) Redstone Arsenal, AL:
http://www.logsa.army.mil/intro.htm

National Guard:
http://www.ngb.dtic.mil

Occupational Safety and Health Administration (OSHA):
http://www.osha.gov

Office of the Chief, Army Reserve (OCAR):
http://www.army.mil/usar/ocar.htm

Office of Personnel Management (OPM):
http://www.opm.gov

Reserve Affairs, OASD:
http://raweb.osd.mil

Training and Doctrine Command (TRADOC):
http://www-tradoc.monroe.army.mil

U.S. Army Publications Agency (USAPA):
http://www.usapa.army.mil

U.S. Army Reserve (USAR):
http://www.army.mil/usar

U.S. Army Reserve Command (USARC)* INTERNET *web site:
http://www.usarc.army.mil

U.S. Army Reserve Command (USARC)* INTRANET *web site:
http://usarcintra (For authorized USAR users; no general public access.)

Forms, Publications, Magazines, etc.

Army Corps of Engineers
http://www.usace.army.mil/usace-docs
(Army engineering publications.)

Army Doctrine and Training Digital Library:
http://www.adtdl.army.mil (Information on Army schools and Army documents.)

Army Reserve Magazine:
http://www.army.mil/usar/armag/armag.htm

DOD electronic forms:
http://web1.whs.osd.mil/icdhome/ddeforms.htm
(Contains some forms not included on USAPA web site.)

FEDmanager:
http://www.fedmanager.com
(Weekly Newsletter for Federal Executives, Managers, and Supervisors.)

FORMDEPS (FORSCOM Regs 500-3-1 and 500-3-3:
http://freddie.forscom.army.mil/mob

FORSCOM electronic pubs and forms:
http://www.forscom.army.mil/pubs

GSA electronic forms:
http://www.gsa.gov/forms

IRS forms and publications:
http://www.irs.ustreas.gov/prod/forms_pubs/index.html
(Includes link to State Tax forms.)

LOGSA pubs and forms:
http://www.logsa.army.mil/pubs.htm
(Supply catalogs, technical manuals, PS Magazine, and more.)

Military periodicals:
http://www.dtic.mil/search97doc/aulimp/main.htm
(Index to Military Periodicals.)

Optional Forms (OFs):
http://web1.whs.osd.mil/icdhome/ofeforms.htm
(Contains some forms not included on USAPA web site.)

Soldiers Online – The Official Army Magazine:
http://www.dtic.mil/soldiers

Standard Forms (SFs):
http://web1.whs.osd.mil/icdhome/sfeforms.htm
(Contains some forms not included on USAPA web site.)

TRADOC pubs:
http://www-tradoc.monroe.army.mil/publica.htm

USAPA electronic pubs and forms:
http://www.usapa.army.mil
(ARs, Pams, Cirs, OFs, SFs, DD, and DA forms; Pubs Ordering System)

USARC form files on* INTERNET *FTP server:
ftp://www.usarc.army.mil
(Access to USARC form files; download individual files or *.zip file from "USARCForms" directory.)

USARC forms and pubs on* INTRANET*:
http://usarcintra/hqs/im/ima/imap/pubsform/pubforms.htm
(For authorized USAR users; no general public access.)

PAY AND FINANCE

Army Financial Operations:
http://www.asafm.army.mil/financial.htm
(Pay rates, drill pay, travel voucher information.)

DFAS:
http://www.asafm.army.mil/DFAS
(Defense Finance and Accounting Service Indianapolis.)

OCAR Pay Support Center:
http://www.army.mil/usar/psc/ocarhp.htm
(Links to important USAR pay information.)

Per diem rates:
http://www.dtic.mil/perdiem/pdrates.html

USAR Enlistment/Reenlistment Bonuses and Incentives:
http://www.army.mil/usar/benefits/benefts5.htm

FAMILY SUPPORT

Army Family Liaison home page:
http://www.hqda.army.mil/acsim/family/family.htm

Army Family Action Plan:
http://trol.redstone.army.mil/mwr/afap/index.html

Army Family Team Building:
http://trol.redstone.army.mil/mwr/aftb/index.html

DEERS E-mail:
http://www.ochampus.mil/DEERSAddress
(E-mail changes to Defense Enrollment Eligibility Reporting System (DEERS).)

Military Assistance Program "MAPsite":
http://dticaw.dtic.mil/mapsite
(Helpful information on family services, finances, and more.)

TAPS (Tragedy Assistance Program for Survivors, Inc.):
http://dticaw.dtic.mil/mapsite
(Grief support and services for survivors of military line-of-duty deaths.)

U.S. Army Community and Family Support Center Morale, Welfare and Recreation (MWR):
http://trol.redstone.army.mil/mwr/index.html
(Helpful links to soldier and family issues, recreation, and more.)

MEDICAL (Training, Benefits, etc.)

Army Medical Department (AMEDD):
http://www.armymedicine.army.mil/armymed/default2.htm
(Surgeon General, MEDCOM, TRICARE, other medical information.)

AMEDD Center and School:
http://www.cs.amedd.army.mil

AMEDD&S Circular 350-3:
http://www.cs.amedd.army.mil/schedule

AMEDD Department of Training Support (DTS):
http://www.cs.amedd.army.mil/DTS

Army Medical Department (AMEDD):
http://www.cs.amedd.army.mil/DTS

Medical courses (online courses for continuing education):
http://www.medcen.com

Points of contacts for AMEDD DTS:
http://www.cs.amedd.army.mil/DTS/pocs.htm

TRICARE Dental Plan (slide presentation):
http://www.asafm.army.mil/profdev/pdi97/workshop/wrkshp11/tsld034.htm

TRICARE information:
http://www-tradoc.army.mil/cmdpubs/tricare/toc.htm
(Enrollment, medical care, phone numbers,Q&A, retiree information.)

TRICARE Summary (slide presentation):
http://www.asafm.army.mil/profdev/pdi97/workshop/wrkshp11/tsld025.htm

U.S. Army Nurse Corps:
http://140.139.13.36/otsg/nurse
(Army Nurse Corps information and links.)

USAR Nursing Web:
http://140.139.90.71
(Site for communication between USAR nurses, information on projects.)

EDUCATION, SCHOOLS AND TRAINING (other than Medical)

Army Doctrine and Training Digital Library:
http://www.adtdl.army.mil
(Information on Army schools and Army documents.)

Command and General Staff College:
http://www-cgsc.army.mil

Combined Arms and Services Staff School (CAS3):
http://www-cgsc.army.mil/cas3

TRADOC:
http://www-tradoc.monroe.army.mil

UNIFORMS

Army Ribbons Order of Precedence:
http://www.dtic.mil/soldiers/jan1998/ribbons/ribbonsleft1.html

Clothing allowances:
http://www.lewis.army.mil/9fb/soldier/clothing.htm

Clothing and Individual Equipment (CIE):
http://www.forscom.army.mil/ocie
(Organizational CIE (OCIE), civilian clothing allowances, and more.)

Decorations, service medals, etc.:
http://www.mdw.army.mil/dcsper/wearing.htm

OTHER HELPFUL WEB SITES

Armed Forces Recreation Centers:
http://trol.redstone.army.mil/mwr/afrcs/ndex.html

Army Lodging:
http://trol.redstone.army.mil/mwr/lodging/maps/index.html
(Lodging success, standards, and world wide facilities.)

Army Reserve Benefits:
http://www.army.mil/usar/benefits/toc_bnft.htm

Employer Support of the Guard and Reserve:
http://www.ncesgr.osd.mil

Federal Voting Assistance Program:
http://www.fvap.gov

Reserve Component Automated Sytem (RCAS) Information Network Service:
http://55.81.20.248
(Important RCAS fielding, release, shipping, and other information.)

RCAS Project Manager's Web Site:
http://www.rcas.com

USAR Public Affairs:
http://www.army.mil/usar/usarlink.htm

United Parcel Service:
http://www.ups.com
(Home page; track packages and more.)

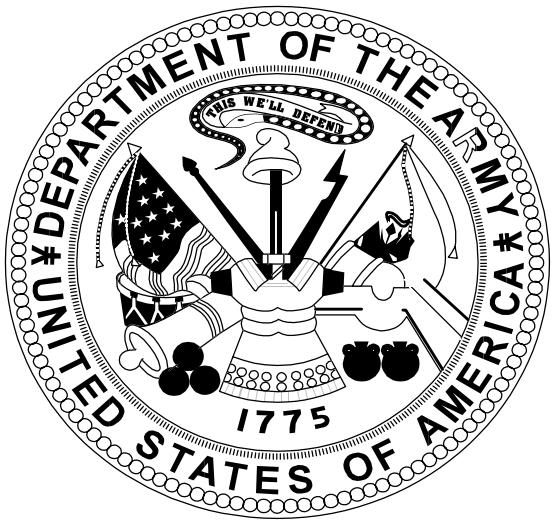
U.S. Postal Service:
http://www.usps.gov
(Home page; mail manuals, rate calculations, zip codes, and more.)

Veterans Affairs (VA):
http://www.va.gov
(Information on VA benefits, programs, facilities, and more.)

AMSC SBLM Class 00-1 graduates

The Army Management Staff College's Sustaining Base Leadership and Management Program Class 00-1 graduated last March. The Comptroller Civilian Career Program had 19 students, from five commands or agencies and the Headquarters. During the intense course, students worked on creative and unconventional solutions to familiar problems. They focused on "big-picture" issues like why we have an Army; how we design it; how we staff, equip, sustain, support, and station the Army; and issues in leadership, management, decision-making and stewardship that Army civilian leaders have to deal with. Congratulations and an outside-the-box salute to all graduates!

Name	Command
Mary L. Anheuser	USAREUR
Linda P. Benedik	FORSCOM
Lynette D. Berdel	USAREUR
Karen A. Boruta	HQDA/AAA
Paulette E. Briestensky	FORSCOM
Charlotte W. Calvert	FORSCOM
George R. Cash	HQDA/AAA
M. A. Eisenhauer-Wall	USAREUR
Veronica A. Ewing	ATEC
William R. Jones	AMC
Marilyn S. Lee	FORSCOM
Melissa S. Magowan	TRADOC
Clifford S. Morse	HQDA/AAA
Claire M. Nelson	OASA FM&C
Debra C. Nicolai	TRADOC
Ward S. Nihiser	USARPAC
Trina Y. Parker	HQDA/AAA
Marlene R. Quick	USAREUR
Jeffrey S. Reid	HQDA/AAA



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